

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 1756 – SB 1858**

February 8, 2016

**SUMMARY OF ORIGINAL BILL:** Excludes from the local maintenance of effort and apportionment requirements, non-recurring appropriations made by a local government for a priority school pursuant to a written agreement between the local government and the local education agency (LEA). Requires the Department of Education to approve any such agreement prior to execution.

**FISCAL IMPACT OF ORIGINAL BILL:**

Other Fiscal Impact – To the extent any such written agreement is executed between a local government and the local education agency, there will be a permissive one-time increase in local expenditures of an unknown amount based on the extent of the non-recurring appropriations made by the local government pursuant to the agreement.

**SUMMARY OF AMENDMENT (011946):** Deletes all language of the original bill. Adds language to Tenn. Code § 49-3-314(c)(4) that specifies that “nonrecurring funds” appropriated by a local government entity to an LEA for nonrecurring educational expenses evidenced by written agreement includes “nonrecurring funds for priority schools”.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**NOT SIGNIFICANT**

Assumptions for the bill as amended:

- Tenn. Code Ann. § 49-3-314(c)(4) excludes any non-recurring appropriations for education made pursuant to a written agreement between a local government and an LEA from the statutory apportionment and maintenance of effort (MOE) requirements, codified in Tenn. Code Ann. § 49-3-315 and 49-3-314 respectively; therefore, no change in MOE requirements.
- No fiscal impact on state or local government.

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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